



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

February 23, 2007

Gayle Jackson, Treasurer
Ohio Democratic Party
271 E. State Street
Columbus, OH 43215

Response Due Date:
March 26, 2007

Identification Number: C00016899

Reference: 12 Day Pre-General Report (10/1/06 – 10/18/06)

Dear Mr. Jackson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule B supporting Line 30(b) of your report discloses negative entries for the receipt of apparent refunds/rebates of expenditures made during this or previous reporting periods. Please be advised that the receipt of offsets to operating expenditures should be disclosed on Schedule A supporting Line 15 of the Detailed Summary Page if the vendor wrote a refund/rebate check on its account. This method of reporting would clarify for the public record the total amount of receipts and more accurately disclose the cash-on-hand amount. Please amend your report to properly disclose this activity or provide clarifying information.

-Schedule B supporting Line 30(b) of your report discloses a payment(s) for "Labels-Exempt-Slate Card-Vol Mail," "Postage-Exempt-Slate Card," "Postage-Slate Card-Exempt," "Postage-Slate Card-Exempt," "Postage-Slate Card-Vol Mail," "Printing-Exempt-Slate Card," "Printing-Slate Card-Exempt," "Printing-Slate Card-Vol Mail," "Stamps-Slate Card-Exempt" and "Stamps-Slate Card-Exempt-Vol Mail" which is categorized as Federal Election Activity and therefore, may require the disclosure of the candidate(s) this activity should be attributed to. Expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any

candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, please be advised that public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Federal Withholding," "FUTA Taxes," "Salary," "State Withholding," and "SUI Taxes." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

-Schedule H4 of your report discloses \$5,925 in payments for "Political Consultant" to individuals. Please clarify whether these individuals are employees of your committee. If they are employees, please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on Federal election activity (FEA) or activities in connection with a Federal election. You are advised that

pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on FEA or activities in connection with a Federal election must not be allocated between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used.

Any reimbursement from your committee's non-federal or Levin account for salary and wage payments for employees who spent more than 25% of their compensated time in a given month on FEA is not permissible and must be returned. Please provide clarification regarding these payments.

-Schedule H4 of your report discloses a payment(s) for "Canvass Consultant" and "Voter ID Calls" Please be advised that 11 CFR §100.24(b) defines as Federal Election Activity, Voter identification, Generic Campaign and Get-out-the vote activities conducted in connection with an election in which one or more candidates for Federal office appear on the ballot. Furthermore, the costs for these types of Federal Election Activity must either be paid with federal funds or can be allocated between federal and Levin funds as long as the activity conducted does not refer to a clearly identified candidate for Federal office. It appears that you have allocated these costs between federal and non-federal funds. Any reimbursement from your committee's non-federal account for Federal Election Activity costs is not permissible and must be returned. 11 CFR §§300.32 and 300.33

Please inform the Commission of your corrective action immediately or provide clarifying information regarding this activity. Although the Commission may take further legal action regarding this apparent prohibited activity, your prompt action will be taken into consideration.

-Schedule H4 of your report discloses several disbursements totaling \$23,451 for "Canvass Consultant-No FEA" which appear to meet the definition of Federal Election Activity. Please amend your report to clarify the nature of these disbursements. Please be advised that 11 CFR §100.24 defines as Federal Election Activity, Voter identification and Get-out-the-vote activities conducted in connection with an election in which one or more candidates for Federal office appear on the ballot. Furthermore, 11 CFR §100.24(a)(4) defines Voter identification as "acquiring information about potential voters, including, but not limited to, obtaining voter lists and creating or enhancing voter lists by verifying or adding information about the voters' likelihood of voting in an upcoming election or their likelihood of voting for specific candidates." 11 CFR §100.24(a)(3)

defines Get-out-the-vote activities as "contacting registered voters by telephone, in person, or by other individualized means, to assist them in engaging in the act of voting."

The costs for these types of Federal Election Activity must either be paid with federal funds or can be allocated between federal and Levin funds as long as the activity conducted does not refer to a clearly identified candidate for Federal office. It appears that you have allocated these costs between federal and non-federal funds. Please inform the Commission of your corrective action immediately or provide clarifying information regarding this activity.

-Schedule H3 of your report discloses "Deposit" as the name of one of your committee's accounts for transfers received from an apparent non-federal account for shared activity. Please verify if these transfers were received from a non-federal account of your committee and amend your report with any clarifying information.

-Schedule A supporting Line 12 discloses a transfer(s)-in from the "DSCC," "DCCC" and "Democratic National Committee." Schedule(s) B and H4 supporting Lines 30(b) and 21(a) reflects payments for "Postage-Exempt-Vol Mail," "Postage-Exempt-Volunteer Mail," "Printing-Exempt-Vol Mail," "Printing-Exempt-Volunteer distributed" and "Yard Signs-No Fed Cand". Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers, pins and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and voter drive activity on behalf of the party's Presidential and Vice Presidential nominees. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

Please clarify the nature of the transfer(s)-in and subsequent payments for the aforementioned disbursement(s). If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, any portion of the expenditures made on behalf of specifically identified

candidates must be disclosed on Schedule B, E or F supporting Line 23 or 30(b), 24 or 25 of the Detailed Summary Page as appropriate.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694- 1157.

Sincerely,



Laura E. Sinram
Campaign Finance Analyst
Reports Analysis Division

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